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EXAMINER

NGUYEN, TRI V

ART UNIT

PAPER NUMBER

1796

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DELIVERY MODE

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.



## **DETAILED ACTION**

### ***Response to Amendment***

1. Upon the amendment filed on 09/04/09, Claims 81-82 are amended and Claims 2-80 are cancelled. The currently pending claims are Claims 1 and 81-101.
2. Applicants' remarks and amendments have been carefully considered; the rejections based on the Schwanhausser reference are withdrawn; however, they were not found persuasive regarding the Edwards reference and the 112(2) issues and the rejections are maintained.

### ***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

4. Claims 1 and 81-101 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Claims 1, 81 and 82 recite the limitations of specific service and/or lack of service requirement regarding the product and upselling offers; however, the specification seems to lack literal basis for the claimed limitations.

### ***Claim Rejections - 35 USC § 103***

5. The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

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6. Claims 1 and 81-101 are rejected under 35 USC 103(a) as being unpatentable over Katz in view of Oslund ("The battle is joined // State's local long-distance business lures US West's competitor." Star Tribune, Feb 12, 1996, pages 1-3), Brian Reilly ("Upselling strategies hit the net" Net Marketing, pages M1 and M18, December 1996), Chelliah et al. (US 5,710,887), and further in view of Edwards ("Credit card issuers see some growth." Las Vegas Review - Journal, March 18, 1994).

Katz discloses various schemes that include upselling offers of goods/services upon an indication of and based on a primary transaction, closing/order fulfillment/tracking on the second transaction (thus an indication of fulfillment received) (see at least Figs 5, items 210-214 and col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23).

Claim 1: Katz et al. discloses a method, comprising:

- a. before receiving an indication of at least one item selected by a customer for purchase from a first vendor, receiving, via an electronic network information relating to customer activity of a customer with a first vendor, in which the information indicates interest of the customer in purchasing at least one item from the first vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- b. receiving an indication of at least one item selected by the customer to purchase from the first vendor, the at least one item having an associated total price (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

but does not explicitly disclose

- c. before receiving the indication of at least one item selected by the customer for purchase from the first vendor, providing to the customer, in response to the received information, an indication of an offer for a subsidy from a second vendor, wherein the

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offer for the subsidy is an offer for a reduction in price relative to a total price of a purchase from the first vendor; and

- d. charging the customer a second price for the at least one item selected for purchase only if the offer is accepted, the second price being less than the associated total price.

However, Katz et al. do not explicitly teach the network and secondary subsidized architecture.

In an analogous art, Reilly discloses an upselling system that includes the features of a web interface with selectable buttons, price indication and promotional offers/redemptions (see page M-3 and M-18) and Chelliah et al. disclose a marketing system in which various coupons are offered based on the items selected by the customer and placed into a virtual shopping cart via pricing rules (col 13, line 10 to col 15, line 32). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the customer to interact with the system via a customer interface on various platforms that includes standard inputs and outputs such as a selectable button, price indications and selecting offers from various merchants. The claimed subject matter would have been obvious because a particular known technique was recognized as part of the ordinary capabilities of a skilled artisan to improve and update known scheme to modern business and technological practices. In particular, the claim would have been obvious because a particular known technique such as the adaptation of the web interface schematic of Reilly to the personal interactions of Katz was recognized as part of the ordinary capabilities of a skilled artisan.

In an analogous art, Oslund teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product - grocery coupon subsidized by AT&T (abstract and page 3) and Edwards teaches the features of providing a subsidy (e.g. discounts, lower rates) for a purchase

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(e.g. computer, car, magazine) via a service agreement (credit card) with a second merchant (e.g. MasterCard, Visa). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the cited references' method, with the cross-marketing approach as taught by Oslund and Edwards. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving profitability. The claimed subject matter would have been obvious because a particular known technique was recognized as part of the ordinary capabilities of a skilled artisan to improve and update known scheme to modern business and technological practices.

Claim 81: Katz et al. discloses a method, comprising the steps of

- a. receiving via an electronic network an indication that an item has been placed in a shopping cart of a Web site of first vendor, in which the item has an associated price;
- b. determining whether to provide an offer for a subsidy based on the received indication (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- c. determining an offer for a subsidy from a second vendor, in which the offer includes a requirement to participate in a transaction with the second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- d. displaying, during a transaction, an indication of the offer for the subsidy from the second vendor, in which the offer is displayed via a Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);

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- e. receiving input representing a click of a button on the Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- f. determining, from the input, a response to the offer for the subsidy (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);  
and
- g. selling, during the transaction, the item for a second price only if the response indicates that the offer is accepted, in which the second price is less than the price of the item.

Katz et al. recites steps b-f but does not explicitly disclose step a and g. The shopping cart limitation is seen as a design decision which is given little, if any, patentable weight. Katz et al. teaches the use of a website and recites the intention of purchasing. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the method as taught by Katz et al. to include shopping carts and the web interface features. One would have been motivated to allow for the modification of the method to simulate the shopping experience of the physical world. In an analogous art, Reilly discloses an upselling system that includes the features of a web interface with selectable buttons, price indication and promotional offers/redemptions (see page M-3 and M-18) and Chelliah et al. disclose a marketing system in which various coupons are offered based on the items selected by the customer and placed into a virtual shopping cart via pricing rules (col 13, line 10 to col 15, line 32). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the customer to interact with the system via a customer interface on various platforms that includes standard inputs and outputs such as a selectable button, price indications and selecting offers from various merchants. The claimed subject matter would have been obvious because a particular known technique was recognized as part of the ordinary capabilities of a

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skilled artisan to improve and update known scheme to modern business and technological practices. In particular, the claim would have been obvious because a particular known technique such as the adaptation of the web interface schematic of Reilly to the personal interactions of Katz was recognized as part of the ordinary capabilities of a skilled artisan.

In an analogous art, Oslund teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (abstract and page 3) and Edwards teaches the features of providing a subsidy (e.g. discounts, lower rates) for a purchase (e.g. computer, car, magazine) via a service agreement (credit card) with a second merchant (e.g. MasterCard, Visa). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the cited references' method, with the cross-marketing approach as taught by Oslund and Edwards. One would have been motivated to modify the method with subsidizing for the price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving profitability. The claimed subject matter would have been obvious because a particular known technique was recognized as part of the ordinary capabilities of a skilled artisan to improve and update known scheme to modern business and technological practices.

Claim 82: Katz et al. discloses a method, comprising the steps of:

- a. receiving via an electronic network an indication that an item has been placed in a shopping cart of a Web site of first vendor, in which the item has an associated price;
- b. determining an amount (this step is implied in order to charge a customer);



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- c. determining whether to provide an offer for a subsidy based on the received indication (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- d. determining an offer for a subsidy from a second vendor, in which the offer includes a requirement to participate in a transaction with the second vendor (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- e. determining a subsidy amount (this step is implied in order to determine a subsidy offer);
- f. displaying, during a transaction, an indication of the offer for the subsidy from the second vendor, in which the offer is displayed via a Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- g. receiving input representing a click of a button on the Web page (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- h. determining, from the input, a response to the offer for the subsidy (col 15, lines 59-65; col 17, line 54 to col 18, line 15; col 19, line 24 to col 20, line 23 and Figs 4-6);
- i. determining a second price based on the price of the item and the subsidy amount (this step is implied in order to charge a customer participating in the transaction)
- j. selling, during the transaction, the item for the second price only if the response indicates that the offer is accepted, in which the second price is less than the price of the item.

Katz et al. recites steps b-i but does not explicitly disclose step a and g. The shopping cart limitation is seen as a design decision which is given little, if any, patentable weight. Katz et al. teaches the use of a website and recites the intention of purchasing. . It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the

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method as taught by Katz et al. to include shopping carts and the web interface features. One would have been motivated to allow for the modification of the method to simulate the shopping experience of the physical world. In an analogous art, Reilly discloses an upselling system that includes the features of a web interface with selectable buttons, price indication and promotional offers/redemptions (see page M-3 and M-18) and Chelliah et al. disclose a marketing system in which various coupons are offered based on the items selected by the customer and placed into a virtual shopping cart via pricing rules (col 13, line 10 to col 15, line 32). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the customer to interact with the system via a customer interface on various platforms that includes standard inputs and outputs such as a selectable button, price indications and selecting offers from various merchants. The claimed subject matter would have been obvious because a particular known technique was recognized as part of the ordinary capabilities of a skilled artisan to improve and update known scheme to modern business and technological practices. In particular, the claim would have been obvious because a particular known technique such as the adaptation of the web interface schematic of Reilly to the personal interactions of Katz was recognized as part of the ordinary capabilities of a skilled artisan.

In an analogous art, Oslund teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product (abstract and page 3) and Edwards teach the features of providing a subsidy (e.g. discounts, lower rates) for a purchase (e.g. computer, car, magazine) via a service agreement (credit card) with a second merchant (e.g. MasterCard, Visa). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the cited references' method, with the cross-marketing approach as taught by Oslund and Edwards. One would have been motivated to modify the method with subsidizing for the

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price of a product/service with a related product/service for providing an incentive for the purchase of the initial product/service thus enhancing customer base via a combination of products and achieving profitability. The claimed subject matter would have been obvious because a particular known technique was recognized as part of the ordinary capabilities of a skilled artisan to improve and update known scheme to modern business and technological practices.

Claims 83-87: Katz et al., Reilly, Chelliah et al., Oslund and Edwards disclose the method of claim 1, in which the information relating to customer activity comprises an indication of a mouse click on a predetermined portion of a Web page (Katz et al.: col 19, line 59 to col 20, line 23), a mouse-over on a predetermined portion of a Web page (Katz et al.: col 19, line 59 to col 20, line 23) but do not explicitly disclose a mouse click on a predetermined banner advertisement, a mouse click on an indication of an item, or mouse-overs on predetermined portions of Web pages at least a predetermined number of times. The features of a mouse click on a predetermined banner advertisement, a mouse click on an indication of an item and mouse-over on predetermined portions of Web pages at least a predetermined number of times are deemed to be obvious variants of monitoring the mouse cursor pattern on a specific webpage. Katz et al., Reilly, Chelliah et al., Oslund and Edwards invite such modifications by teaching the identification of potential customer via a thorough knowledge of the customer's background and intentions (Katz et al. : col 10, lines 46-55). Therefore, it would have been obvious to a skilled artisan to modify the method of Katz et al., Reilly, Chelliah et al., Oslund and Edwards for various mouse tracking configurations. One would be motivated to modify the method to obtain information about the customer's browsing behavior, thus enhancing targeted marketing opportunities.

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Claims 88-94: Katz et al., Reilly, Chelliah et al., Oslund and Edwards disclose the method of claim 1, in which the information relating to customer activity comprises an indication of accessing predetermined Web pages (Katz et al.: col 19, line 59 to col 20, line 23), accessing a predetermined number of predetermined Web pages (Katz et al.: col 19, line 59 to col 20, line 23) but do not explicitly disclose a search that is performed for a predetermined product, accessing predetermined Web pages in a predetermined sequence, accessing predetermined Web pages during a predetermined time period; a duration that the Web site is open or previous access to a predetermined Web site at least a predetermined number of times. The features of a search that is performed for a predetermined product, accessing predetermined Web pages in a predetermined sequence, accessing predetermined Web pages during a predetermined time period; a duration that the Web site is open or previous access to a predetermined Web site at least a predetermined number of times are deemed to be obvious variants of monitoring the browsing pattern of a potential customer. Katz et al., Reilly, Chelliah et al., Oslund and Schwanhausser or Edwards invite such modifications by teaching the identification of potential customer via a thorough knowledge of the customer's background and intentions (Katz et al.: col 10, lines 46-55). Therefore, it would have been obvious to a skilled artisan to modify the method of Katz et al., Reilly, Chelliah et al., Oslund and Edwards for various browsing patterns. One would be motivated to modify the method to obtain information about the customer's browsing behavior, thus enhancing targeted marketing opportunities.

Claims 95-101: Katz et al., Reilly, Chelliah et al., Oslund and Edwards disclose the method of claim 1, in which the information relating to customer activity comprises an indication of at least a predetermined number of previous purchases from the first vendor (Katz et al.: col 24, lines

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12-29) but do not explicitly disclose a predetermined number of items that a customer is ready to purchase from the first vendor, a predetermined item that the customer is ready to purchase from the first vendor, a duration that an item is selected for purchase, requesting a coupon for a predetermined item, an item having at least a predetermined price that the customer is ready to purchase from the first vendor, or a frequent shopper status of the customer. The features of a predetermined number of items that a customer is ready to purchase from the first vendor, a predetermined item that the customer is ready to purchase from the first vendor, a duration that an item is selected for purchase, requesting a coupon for a predetermined item, an item having at least a predetermined price that the customer is ready to purchase from the first vendor, or a frequent shopper status of the customer are deemed to be obvious variants of monitoring the browsing pattern, buying interest and status of a potential customer. Katz et al., Reilly, Chelliah et al., Oslund and Edwards invite such modifications by teaching the identification of potential customer via a thorough knowledge of the customer's background and intentions (Katz et al. : col 10, lines 46-55). Therefore, it would have been obvious to a skilled artisan to modify the method of Katz et al., Reilly, Chelliah et al., Oslund and Edwards for various browsing patterns. One would be motivated to modify the method to obtain information about the customer's browsing behavior, thus enhancing targeted marketing opportunities.

### ***Response to Arguments***

7. Applicant's arguments filed 09/04/09 have been fully considered but they are not persuasive and are moot in view of the new grounds of rejection.

a. Applicants argue that the lack of service feature was disclosed in the various examples of the original specification thus mooting the 112(1) rejections (page 8 et seq.). At the onset, the examiner would like to thank applicants' for the clarification;

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however, it is noted that it would be helpful if applicants map the specific examples as relating to the instant claimed limitation of the lack of service, e.g. how does the skilled artisan would infer the limitation based on cited examples since there seems to be a lack of a literal basis for the limitation. Thus, the examiner respectfully disagrees and notes that, according to MPEP 2173.05(i), any negative limitation or exclusionary proviso must have basis in the original disclosure. If alternative elements are positively recited in the specification, they may be explicitly excluded in the claims. See *In re Johnson*, 558 F.2d 1008, 1019, 194 USPQ 187, 196 (CCPA 1977) ("[the] specification, having described the whole, necessarily described the part remaining."). See also *Ex parte Grasselli*, 231 USPQ 393 (Bd. App. 1983), *aff'd mem.*, 738 F.2d 453 (Fed. Cir. 1984). The mere absence of a positive recitation is not basis for an exclusion. Any claim containing a negative limitation which does not have basis in the original disclosure should be rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. Note that a lack of literal basis in the specification for a negative limitation may not be sufficient to establish a *prima facie* case for lack of descriptive support. *Ex parte Parks*, 30 USPQ2d 1234, 1236 (Bd. Pat. App. & Inter. 1993). In the instant case, the fact that a service agreement is not present is analogous to a description of an absence of a positive limitation and does not necessarily indicate a lack of service limitation.

b. Applicants argue that the cited references do not teach the feature of providing the cross-marketing approach of a discount provided by a second merchant (page 10 et seq.). The examiner respectfully disagrees and notes that, while the secondary references do not disclose all the features of the present claimed invention, it is used as teaching reference, and therefore, it is not necessary for this secondary reference to

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contain all the features of the presently claimed invention, In re Nievelt, 482 F.2d 965, 179 USPQ 224,226 (CCPA 1973), In re Keller 624 F.2d 413,208 USPQ 871, 88 1 (CCPA 1981). Rather the reference teaches a certain concept, and in combination with the primary reference, discloses the presently claimed invention. In the instant case, Oslund teaches that a Rainbow food store coupon (first vendor providing a non service item and a subsidy being offered) is given upon signing up for an AT&T long-distance (2nd vendor providing the subsidy and requiring a service). The Edwards reference teaches the features of GM-cobranding credit card providing discount (2nd vendor providing the subsidy and requiring a service) on purchases at Mobil Service stations (1st vendor with non-service item). Furthermore, Katz et al. is relied upon to teach various schemes that include upselling offers of goods/services upon an indication of and based on a primary transaction, closing/order fulfillment/tracking on the second transaction. Thus the claims would have been obvious because a particular known technique such as the adaptation of marketing schematic of Katz with the subsidized system of Oslund and Edwards was recognized as part of the ordinary capabilities of a skilled artisan to provide the benefit of enhancing customer base via a combination of products opportunities and achieving profitability.

c. Regarding applicants' argument that the Katz et al. reference does not teach the web page monitoring feature (page 11 and 12). The examiner respectfully disagrees and notes that the Katz et al. reference teaches the feature of monitoring the users' background such as intended purchase and past transactions and the Reilly and Chelliah et al. references teach the adaptation of the upselling/cross-marketing scheme to a web interface. Thus it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the customer to interact with the system

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via a customer interface on various platforms that includes standard inputs and outputs such as a selectable button, price indications and selecting offers from various merchants. The claimed subject matter would have been obvious because a particular known technique was recognized as part of the ordinary capabilities of a skilled artisan to improve and update known scheme to modern business and technological practices. In particular, the claim would have been obvious because a particular known technique such as the adaptation of the web interface schematic of Reilly and Chelliah et al. to the personal interactions of Katz was recognized as part of the ordinary capabilities of a skilled artisan.

### ***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to TRI V. NGUYEN whose telephone number is (571)272-6965. The examiner can normally be reached on M-F 8:00 AM to 5:30 PM.



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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vasu Jagannathan can be reached on (571) 272-1119 and Eric Stamber in business methods can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/T. V. N./

Examiner, Art Unit 1796

December 9, 2009

/Eric W. Stamber/

Supervisory Patent Examiner, Art Unit 3622